

Appendix I: Frequently Asked Questions about Making Distributions from Your Philanthropic Fund

You can recommend distributions from your Philanthropic Fund at any time. Provide your recommendations in writing by U.S. Mail to:

Philanthropic Funds
Jewish Federation of Metropolitan Detroit
6735 Telegraph Rd.
Bloomfield Hills, MI 48307

by emailing philfund@jfmfd.org or Donorsphere and we'll process your recommendations. Please use the printed Distribution Recommendation Form which we will provide to you, or access the form at jewishdetroit.org/distribution.

Q: May I recommend support for the general operating budget of a charity?

A: Yes. You may suggest a distribution for general support, as well as distributions for capital or endowment campaigns or specific projects.

Q: May I recommend a distribution for tickets to a fundraising event?

A: No. Philanthropic Fund assets cannot be used to purchase tickets or pay for any portion of attending an event.

Q: I would like to recommend a distribution to complete a pledge I have made to a charity other than Federation's Annual Campaign. Is that all right?

A: Unfortunately, such a recommendation is not appropriate under the IRS regulatory limitations placed on Philanthropic Funds, since Philanthropic Fund assets cannot be used to satisfy a binding personal obligation. The United Jewish Foundation of Metropolitan Detroit, acting on behalf of a Philanthropic Fund, can make a multi-payment pledge to be paid from the Fund. Please contact a member of Federation's Endowment team for specific wording before completing any gift documentation. In addition, a Philanthropic Fund can be used to pay a non-binding gift.

Q: I would like to support a charitable organization which is located in another state. Is this possible?

A: Yes. You may recommend supporting any 501(c)(3) public charity anywhere in the United States.

Q: Will I be notified when a distribution that I have recommended has been made?

A: Yes. We will mail you a copy of the distribution letter so you'll know it has been paid.

Q: Now that I have established a Philanthropic Fund, I'd like to wait until later this year to recommend any distributions from the fund. Is that permissible?

A: Yes. You may recommend distributions at any time – now or in the future. You may even wait until a future year to do so.

Q: What about synagogue memberships – can I recommend a distribution to cover dues?

A: No. Because synagogue membership is deemed to provide a personal benefit to you, the United Jewish Foundation of Metropolitan Detroit cannot make distributions to pay for membership dues. Other contributions to synagogues such as endowment funds and special campaigns are permitted.

Q: *Are there any other types of distributions that are inappropriate for a Philanthropic Fund?*

A: Because Philanthropic Funds are regulated under federal tax rules, such funds are not able to make distributions that benefit a specific person. Also, Philanthropic Funds cannot make distributions to private foundations or any nonprofit that is not an IRS approved 501(c)(3) public charity.

Q: *I can think of a distribution where I might want to remain anonymous. Is this possible?*

A: Yes. All you need to do is to let us know in writing that you wish to remain anonymous for a particular recommended distribution. You will receive notification when the distribution is made – but it will not identify you to the charity.

Q: *Sometimes I am not sure about a particular charity that I am considering. Can your staff assist me?*

A: Yes. The United Jewish Foundation of Metropolitan Detroit staff has extensive knowledge of the tax-exempt charitable organizations and community needs. We are pleased to provide information and assist in your consideration. If you prefer to do your own research, there are two websites that can assist you in determining the charitable status of an organization and finding charities that fit your desired goals – www.guidestar.org and www.charitynavigator.org.